

The Wealth Equation: Shared Ownership in the GCC

How Diminishing Musharaka creates generational wealth for households and durable income for investors.

GCC HOUSING POLICY · JUNE 2026

SHEHRYAR GILANI I CFA • FCMA • MRICS



THE CORE PROBLEM

Renting Is a Wealth Trap

SAR 2.8M

Average Riyadh Villa

SAR 560K

20% Deposit Required

10+

Years to Save on Mid-Income

Every riyal paid in rent builds zero equity. The current system has no on-ramp between renting and owning.

20-YEAR COMPARISON

What Renting Costs vs. Shared Ownership

Metric	Renter	Shared Owner (40% entry)
Monthly Cost (Yr 1)	SAR 7K–9K	SAR 6K
Equity at Year 5	SAR 0	SAR 120K–180K
Equity at Year 10	SAR 0	SAR 350K–500K
Property Wealth at Year 20	SAR 0	SAR 1.5M–2.5M+

The renter pays more, for longer, and accumulates nothing. The shared owner partially converts expenditure into an owned, appreciating asset.

HOUSEHOLD PERSPECTIVE

The Equity Journey: A Worked Illustration

Entry at 40% share on a SAR 1.5M property. Base case: 4% p.a. appreciation.

1 — Year 0

40% share
SAR 600K equity

2 — Year 5

50% share
SAR 913K equity

3 — Year 10

60% share
SAR 1.33M equity

4 — Year 20

100% share
SAR 3.28M equity

> A household that entered with SAR 600K accumulates over SAR 3.2M in property wealth. The model does not merely return the deposit. It multiplies it.

THE STRUCTURE

Diminishing Musharaka: Alignment by Design



Genuine Co-Ownership

No interest. No fixed debt. Both parties bear risk and reward in proportion to their equity stake.



Ijara Charge Declines

As the household staircases, occupancy charges fall — the inverse of renting, where costs only rise.



Sharia-Aligned Outcome

The financial relationship genuinely diminishes as partnership approaches full household ownership.

VISION 2030 TAILWIND

Structural Drivers of Residential Value

Giga-Projects

Expand high-demand residential land radius at unprecedented pace

Transport Infrastructure

Converts peripheral land to prime zones with measurable value uplift

Demographic Demand

Young Saudi population + international talent inflows sustaining demand

Economic Diversification

Broader income base supporting residential demand beyond public sector

Base case: 4% p.a. appreciation. Vision 2030 upside: 5%+ in districts adjacent to major infrastructure delivery.

INVESTOR PERSPECTIVE

Three Compounding Income Streams

1

Ijara Occupancy Income

SAR 53,550 net per unit annually at 7% gross rate. Structurally lower-risk than conventional rental income.

2

Capital Appreciation on Retained Equity

SAR 900K retained equity grows to ~SAR 1.33M by Year 10 — a SAR 430M portfolio-level gain per 1,000 units.

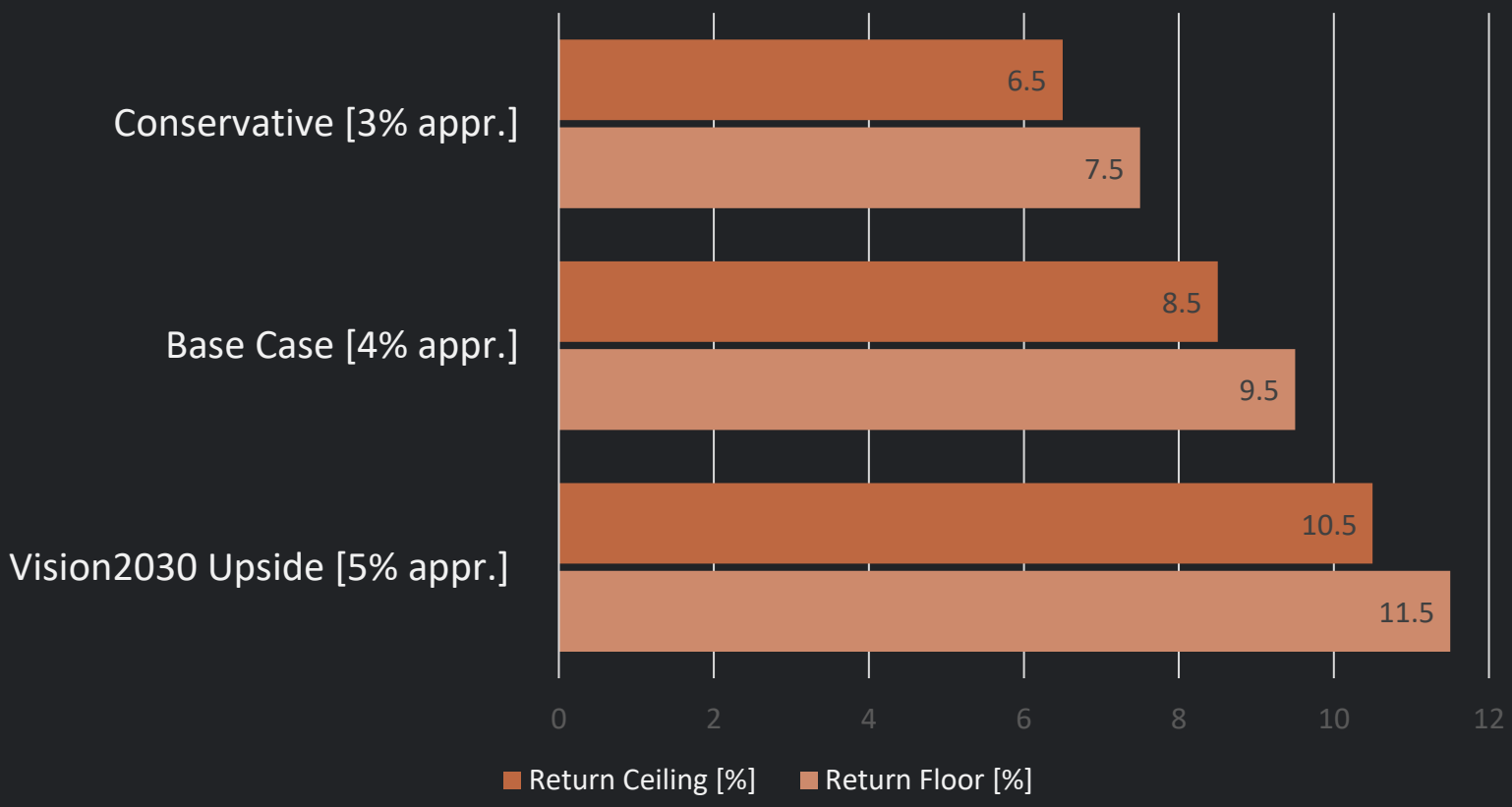
3

Staircasing Proceeds

Capital recycled at current market valuations into new positions. Growth is self-financing.

RETURN SCENARIOS

Blended Returns: Conservative to Vision 2030 Upside



The conservative floor broadly matches current GCC REIT gross yields — delivered through a Sharia-compliant, sovereign-aligned structure with a social mandate.

THE SYMMETRY

Both Parties Win - Simultaneously

Household

Lower entry, declining Ijara, Vision 2030 appreciation, SAR 3M+ wealth at Year 20

ROP Platform

Ijara income, retained equity growth, self-financing capital recycling across new households

The model does not ask the investor to sacrifice return for social impact. It delivers both, because the structure makes both simultaneously achievable.

FROM ANALYSIS TO ACTION

Every Precondition Is Satisfied

01

Principle

Diminishing Musharaka — theologically sound, financially proven

02

Design

Registered Ownership Platform — institutional framework documented

03

Capital

$4.9 trillion GCC sovereign capital with negligible domestic residential income allocation

04

Institutions

NHC · Roshn · REDF · SAMA · PIF — the founding set is present

The question is no longer whether.
The question is who moves first.

Full paper linked in comments.

♻️ Share this post with a policy-maker or institutional investor who should read it.



THANK YOU

Shehryar Gilani, CFA, FCMA, MRICS
gilanishehryar@gmail.com
https://www.linkedin.com/in/shehryar-gilani/